

MINUTES

MONTANA HOUSE OF REPRESENTATIVES 57th LEGISLATURE - REGULAR SESSION COMMITTEE ON TRANSPORTATION

Call to Order: By **CHAIRMAN ROGER SOMERVILLE**, on January 19, 2001
at 3:00 P.M., in Room 472 Capitol.

ROLL CALL

Members Present:

Rep. Roger Somerville, Chairman (R)
Rep. Sylvia Bookout-Reinicke, Vice Chairman (R)
Rep. Carol C. Juneau, Vice Chairman (D)
Rep. Darrel Adams (R)
Rep. Joe Balyeat (R)
Rep. Debby Barrett (R)
Rep. Ronald Devlin (R)
Rep. Dave Gallik (D)
Rep. Steven Gallus (D)
Rep. George Golie (D)
Rep. Donald L. Hedges (R)
Rep. Jim Keane (D)
Rep. Gary Matthews (D)
Rep. William Price (R)
Rep. Allen Rome (R)
Rep. Frank Smith (D)
Rep. Donald Steinbeisser (R)
Rep. Karl Waitschies (R)

Members Excused: None.

Members Absent: None.

Staff Present: Donna Huffman, Committee Secretary
Leanne Kurtz, Legislative Branch

Please Note: These are summary minutes. Testimony and
discussion are paraphrased and condensed.

Committee Business Summary:

Hearing(s) & Date(s) Posted: HB 72; HB 131; HB 148 1/19/01
Executive Action: HB 78

Hearing on HB 72

Sponsor: Rep. Tom Facey, HD 67, Central Missoula.

Proponents: Russ Ritter, Montana Rail Link; Pat Kiem, Burlington Northern Santa Fe.

Opponents: none.

Informational Witnesses: Pat Saindon, Admin. Of Planning Div. MDT; **EXHIBIT** (trh15a01)

Opening Statement by Sponsor:

{Tape : 1; Side : A; Approx. Time Counter : 5.9}

Rep. Facey said the reason for this bill is to help encourage Legislators, the Governor's Office and the Department of Transportation to think about rail transportation for people.

Proponents' Testimony:

{Tape : 1; Side : A; Approx. Time Counter : 11.8}

Russ Ritter, MRL, said they stand in support of HB 72. He said, however, they are not in the passenger business at this time. They are in the business of providing rails for rail service.

{Tape : 1; Side : A; Approx. Time Counter : 14.6}

Pat Kiem, BNSF, said they are in support of HB 72. They too are not in the passenger business, but are here to accommodate passenger train operations. They help assure there is orderly consideration in the process of recognizing the needs of the freight railroads and the freight railroads' customers and assuring an orderly transition that has been proposed.

Opponents' Testimony: none.

Questions from Committee Members and Responses:

{Tape : 1; Side : A; Approx. Time Counter : 16.9}

Rep. Balyeat asked Mr. Ritter his opinion on Amtrak 2. Mr. Ritter said they would be the provider of those particular tracks, but beyond that there would have to be good evidence that

would indicate that it was profitable. It would probably have to be highly subsidized by the Federal Government.

{Tape : 1; Side : A; Approx. Time Counter : 20.3}

Rep. Hedges and **Rep. Facey** discussed rail passenger travel as opposed to public monorail, buses and rapid transit.

{Tape : 1; Side : A; Approx. Time Counter : 22.8}

Rep. Barrett said commuter trains on a smaller scale would not be as highly subsidized as Amtrak which is fast in large areas.

Rep. Facey said he agreed, a society needs to think forward.

{Tape : 1; Side : A; Approx. Time Counter : 25.7}

Rep. Balyeat asked **Rep. Facey** why he wouldn't want to explore the option of bus commuter service. **Rep. Facey** said he did not disagree with that.

Rep. Gallus asked **Rep. Facey** if he would consider an automobile subsidy if the Government went through the expense to purchase, build and maintain an extra lane of freeway just for the purpose of cutting down on traffic? **Rep. Facey** said yes.

Closing by Sponsor:

{Tape : 1; Side : A; Approx. Time Counter : 28.7}

Rep. Facey said that he is just trying to get people in Montana to start thinking in another direction.

Hearing on HB 148

{Tape : 1; Side : B; Approx. Time Counter : 0.3}

Sponsor: Rep. Hal Jacobson, HD 54, West and NW side of Helena.

Proponents: Dave Galt, Director of Montana Department of Transportation; Ronna Christman, Montana Petroleum Marketers Association.

Opponents: none.

Informational Witnesses: none.

Opening Statement by Sponsor:

Rep. Jacobson said this bill was requested by the Department of Transportation. This legislation was a result of deliberation by the Motor Fuels Tax Collection Enforcement and Refund Advisory Council. Some of the groups benefitting from this would be agricultural groups who currently use this particular service. This change would allow them to receive their refund via electronic funds transfer.

Proponents' Testimony:

{Tape : 1; Side : B; Approx. Time Counter : 4}

Dave Galt, Dir. MDT, said they are trying to get people to use the electronic method of paying gasoline tax. This is an incentive to get people to file electronically. They think this is easier and a benefit to the tax payer.

Ronna Christman, MPMA, said they have 136 members and 65 that are licensed. They are responsible for collecting and remitting the motor fuel excise tax to the MDT. This bill under section one about EFT would move people into the age of technology.

Opponents' Testimony: none.

Questions from Committee Members and Responses: none.

{Tape : 1; Side : B; Approx. Time Counter : 10.1}

Closing by Sponsor:

Rep. Jacobson thanked the committee for presenting HB 148 and said to give this bill a Do Pass.

Hearing on HB 131

Sponsor: Rep. Roger Somerville, HD 78, Kalispell.

Proponents: Dave Galt, Dir. of MDT; Barry Stang, MMCA; Ronna Christman, MPMA; Gail Abercrombie, Exec. Dir. of MPMA.

Opponents: none.

Informational Witnesses: none.

Opening Statement by Sponsor:

Rep. Roger Somerville said this bill would allow GVW officers to inspect any vehicle below 10,000 pounds.

{Tape : 1; Side : B; Approx. Time Counter : 22.6}

Proponents' Testimony:

Dave Galt, Dir. of MDT, said they stand in support of this bill. He said dyed diesel fuel was intended for off road use, primarily by agriculture. It was not intended to have a tax so people would not have to wait for a refund. The MDT has done surveys at retail outlets and estimate about 8% of licensed light trucks are using dyed diesel fuel. 85% of those were instate vehicles, representing about a 3 million dollar loss to the special revenues account. Montana Motor Carriers Assoc., (the enforcement authority of MDT) has arrest authority for specific statutes. In these statutes, their ability to stop vehicles starts at 10,000 pounds. The enforcement of large trucks over 14,000 pounds is very successful with checking them. If they received an anonymous tip from the hotline, they could send a person out to inspect the light truck and address the problem.

{Tape : 2; Side : A; Approx. Time Counter : 0.3}

Barry Stang, MMCA, said they supported HB 131.

Ronna Christman, MPMA, said they support HB 131. They are working on enforcement methods right now, such as putting on big stickers that plainly mark these pumps as dyed diesel fuel.

{Tape : 2; Side : A; Approx. Time Counter : 5.3}

Gail Abercrombie, Exec. Dir. of MPMA, said they support HB 131. With the Department of Transportation's help and a reasonable approach to try to get the taxes collected so taxes won't have to be raised because of those who are avoiding it.

Opponents' Testimony: none.

Questions from Committee Members and Responses:

Rep. Gallik said the Constitution of The United States says you cannot stop a vehicle unless there is reason to do so. **Mr. Galt** said he fully agreed with that, but if there was probable cause, if someone saw them, or received an anonymous tip, it meets the

requirements of the Constitution for reasonable suspicion to stop that vehicle.

{Tape : 2; Side : A; Approx. Time Counter : 13}

Rep. Golie asked **Mr. Galt** if enforced, how much does MDT expect to recover? **Mr. Galt** said maybe half, because of the time and manpower. If there is a good job of enforcement, education, advertisement, word will get out that there is a serious effort to take care of problems.

Rep. Balyeat asked **Mr. Galt** if he knew what the penalties were and had they educated people with advertising? **Mr. Galt** said the penalty is \$500 the first time, up to a maximum of \$2,000. MDT used fuel tax grant money to advertise.

{Tape : 2; Side : A; Approx. Time Counter : 25.3}

Rep. Gallus asked **Rep. Somerville** if an operator of a qualified vehicle could possibly have an authorization card to show at the time of purchase. **Rep. Somerville** said that would create a problem, because a lot of stations and pumps are unmanned.

{Tape : 3; Side : A; Approx. Time Counter : 0.3}

Rep. Barrett asked **Rep. Somerville** about other deterrents, such as sensor lights or video cameras? **Rep. Somerville** replied the committee had not looked at that idea, but the systems are out there. He did not know the cost to put those on the diesel pumps.

Rep. Devlin asked **Ronna Christman** how this became so widely available. **Ronna Christman** said it started with EPA regulations on underground storage tanks and more tanks being removed because of liability reasons. People wanted the dyed fuel but had no way to get it or store it.

{Tape : 3; Side : A; Approx. Time Counter : 14.3}

Closing by Sponsor:

Rep. Somerville said this was a very serious issue that cannot be ignored. MDT wants to have 15 GVW officers who would have the capability of checking vehicles of less than 10,000 pounds weight if they feel they have a probable cause to do so, and that they are using dyed diesel fuel in those vehicles. He said the

Transportation Committee might have to form a sub-committee to look at this bill further.

EXECUTIVE ACTION ON HB 78

Motion: Rep. Smith moved that HB 78 Do Pass.

Discussion:

{Tape : 3; Side : A; Approx. Time Counter : 22.4}

Chairman Somerville handed out a letter from the Office of the Governor, Budget and Program Planning. **EXHIBIT(trh15a02)**

Rep. Juneau said she had an amendment to HB 78, requested by the Purple Heart Veterans asking for inclusion on the exemption. **EXHIBIT(trh15a03)**

Rep. Balyeat said the letter **Exhibit (2)** and other documentation on the cost per year if we did pass these amendments. Those figures were based on 708 vehicles that are currently registered by Purple Heart recipients. Based on those 708 currently registered Purple Heart recipients, it would cost \$106, 000 per year. I think the numbers are misleading, as I was talking with Dean Roberts, he told me that there were many more 708 Purple Heart Veterans. If they do get this substantial break, I'm convinced we are looking at a much higher number. It could be a lot more money than what we are looking at now.

Jim Jacobson, Administrator for Montana Veterans Affairs, said that there was no authoritative record of Purple Hearters.

Chairman Somerville said to **Rep. Balyeat** if this bill is amended then we will get an official fiscal note for the bill, and a technical note stating that they don't know exactly the number of Purple Hearts recipients in the system.

Rep. Juneau moved that the **amendment for HB 78 Do Pass.**

Vote: Motion **carried 9-8 with Balyeat, Barrett, Bookout-Reinicke, Devlin, Hedges, Rome, Somerville, and Steinbeisser voting no.**

Motion/Vote: **REP. BALYEAT** moved that **HB 78 BE TABLED.** Motion failed 7-11 with **Adams, Balyeat, Barrett, Devlin, Hedges, Rome, and Steinbeisser voting aye.**

Motion/Vote: **REP. SMITH** moved that **HB78 DO PASS AS AMENDED.** Motion carried 11-7 with **Adams, Balyeat, Barrett, Devlin, Hedges, Rome, and Steinbeisser voting no.**

ADJOURNMENT

Adjournment: 5:00 P.M.

REP. ROGER SOMERVILLE, Chairman

DONNA HUFFMAN, Secretary

RS/DH

EXHIBIT (trh15aad)